



IN THE DRAWINGS:

Replace Figs. 2a and 2c with new Figs. 2a and 2c shown in the replacement sheet of Figs. 2a and 2c.



## REMARKS

Based on the above amendment and the following remarks, the application is deemed to be in condition for allowance and action to that end is respectfully requested.

The Applicant has amended the drawings to further clarify the distinctions between the cited prior art and the invention. No new matter has been added.

The Examiner has rejected claims 1-45, under 35 U.S.C. §103(a), as being unpatentable over U.S. Patent No. 6,418,419 to Nieboer in view of U.S. Patent No. 6,029,146 to Hawkins in view of U.S. Patent No. 5,864,827 to Wilson in view of U.S. Patent No. 5,517,406 to Harris. It is respectfully submitted that all of the claims presently pending in the application are patentably distinct over the prior art, including all of the prior art of record in the application, and are, therefore, allowable. The combination of the cited prior art does not lead to the claimed invention nor does such a combination provide the advantages of the invention.

Neither Nieboer, Hawkins, Wilson or Harris disclose the processing of "purchase and redemption transactions." In contradistinction, the references each disclose receiving orders from buyers and sellers, each of which have a unique interest in either buying shares or selling pre-existing shares of stock. The references disclose traditional matching of buyers and sellers of pre-existing shares of stock with each other.

*However, shares of traditional open-end mutual funds, on which this invention is based, are not "pre-existing" or "traded" between buyers and sellers as are existing shares (stock) of "traded" companies.*

*Buyers (purchasers) of mutual shares receive newly created (to be issued) shares directly from the mutual fund / investment company. Sellers (redeemers) of shares tender the*

*shares to the fund / investment company, which redeems those shares and cancels them. (Each of these purchase and redemption transactions can be effects directly, or through an intermediary, e.g., broker). Hence, the concept of "matching" (transaction between) buyers and sellers (of pre-existing shares of stock) is not applicable to open-ended mutual funds.*

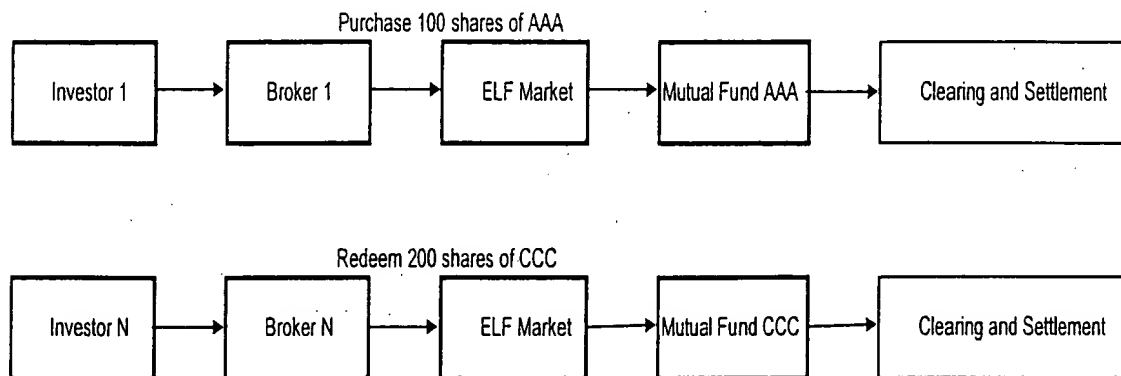
The following pictorial examples illustrate the differences between, separate, open-end fund purchases and redemption, and the buying and selling of existing stock of "traded" companies between brokers.

### Open-end fund purchase and redemption examples

Traditional open-end mutual funds are either purchased (directly from the mutual fund) or redeemed (directly by the mutual fund) by investors, or their intermediaries (ex., brokers).

The open-fund is involved in each, separate, purchase and redemption transaction

The amount of outstanding shares of open-end mutual funds can increase (via purchase orders) or decrease (due to redemption orders) each day.

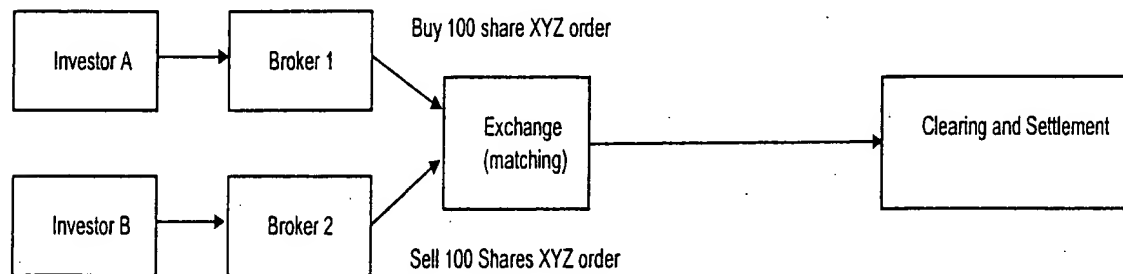


### Stock buy and sell order examples

By contrast, buy and sell orders for existing shares of stock of publicly traded companies are traded between brokers, by being matched, usually at an exchange.

The public company is not involved in any buy or sell transaction.

Publicly traded companies have a fixed number of outstanding shares and do not become larger or smaller due to buy and sell orders.



In comparison, the instant application claims receiving a plurality of purchase or redemption messages in Exchange Equity Order Entry Format at a first server from brokers (on behalf of customers) at servers at, at least one of, a plurality of EXCHANGES, regulated under the Securities Exchange Act of 1934, and the first server aggregates (using an algorithm) and

reformats those order messages to Fund Order Entry Format, and sends them to servers at a Fund/Securities Clearing Agent, which is in communication with servers at the Mutual Fund/Investment Company, for confirmation, clearing and settlement including the issuance and redemption of mutual fund shares by the Mutual Fund/Investment Company.

The claimed invention does not “match” buyers and sellers with each other, as the system disclosed in each of the references does. The claimed invention provides an efficient way of processing either individual mutual fund purchase or redemption orders, or aggregations of those orders directly with the Mutual Fund / Investment Company via the Fund/Securities Clearing Agent.

“Obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggesting supporting the combination. Under section 103, teachings of references can be combined only if there is some suggesting or incentive to do so.” *In re Fritch*, 23 U.S.P.Q. 2d 1780, 1783 (Fed. Cir 1992) (footnote omitted) (emphasis in original). See also *In re Sernaker*, 217 U.S.P.Q. 1, 6 (Fed. Cir. 1983); *SmithKline Diagnostics, Inc. v. Helena Laboratories Corp.*, 8 U.S.P.Q. 2d 1468, 1475 (Fed. Cir. 1988); *In re Laskowski*, 10 U.S.P.Q. 2d 1397, 1399 (Fed. Cir. 1989); *In re Fine*, 5 U.S.P.Q. 2d 1596, 1598 (Fed. Cir. 1988).

The Court of Appeals for the Federal Court clearly stated:

It is impermissible to use the claimed invention as an instruction manual or “template” to piece together the teaching of the prior art so that the claimed invention is rendered obvious.

*In re Fritch*, 23 U.S.P.Q. 2d 1780, 23 1780, 1783 (Fed. Cir. 1992)

The *In re Fritch* holding only confirmed a long established view that obviousness should not be read “into an invention on the basis of Applicant’s own statements”. The prior art must be

viewed “without reading into that art Appellant’s teachings” and the teachings of the prior art should, “in and of themselves and without the benefits of Appellant’s disclosure (emphasis in the original text) make the invention as a whole, obvious.” *In re Spinnoble*, 160 U.S.P.Q. 237, 243 (CPA 1969).

There is no suggestion, incentive or motivation in the cited reference for the combination on which the Office Action relies. A statement that it would have been obvious to one skilled in the art to make modifications to the references is not sufficient to establish a *prima facie* case of obviousness. MPEP § 2143.01 relying on *Ex Parte Levengood*, 28 U.S.P.Q. 2d 1300 (Bd. Pat. App. & Inter. 1993). The Federal Circuit has held that a claimed invention was not obvious, where “[c]onspicuously missing from [the] record is any *evidence*, other than the PTO’s speculation (if it be called evidence) that one skilled in the art would have been motivated to make the modification of the prior art “necessary to arrive at the claimed invention.” *In re Jones* 21 U.S.P.Q. 2d 1941 (Fed. Cir. 1992).

*Ex Parte Clapp*, 227 USPQ 972,973 (Bd. Pat. App & Inter. 1985) requires that when the references do not suggest the invention “. . . the Examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teaching of the references.” No such line of reasoning is seen in the Office Action.

There is no suggestion in the cited prior art that would lead one of ordinary skill in the art to attempt a combination of these references to achieve the invention as claimed in claims 1-45. Accordingly, withdrawal of the rejection to such claims under 35 U.S.C. §103(a) is respectfully requested.


## CONCLUSION

In view of the foregoing, it is respectfully submitted that the application is in condition for allowance, and allowance of the application is respectfully requested.

Should the Examiner require or consider it advisable that the specification, claims and/or drawings be further amended or corrected in formal respects, in order to place the case in condition for final allowance, then it is respectfully requested that such amendment or correction be carried out by Examiner's amendment and the case passed to issue.

Alternatively, should the Examiner feel that a personal discussion might be helpful in advancing this case to allowance, the Examiner is invited to telephone the undersigned.

Respectfully Submitted,

  
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I hereby certify that this correspondence is being transmitted via facsimile to: Examiner Clement B. Graham, Commissioner for Patents, at facsimile no. 571-273-8300 on February 7, 2006.

